

THE CONNECTICUT AIRPORT AUTHORITY



The Connecticut Airport Authority (CAA)
Office of the Executive Director
Bradley International Airport
Administration Office
Terminal A, 3rd Floor
Windsor Locks, CT 06096

INSURANCE BROKERAGE SERVICES

REQUEST FOR PROPOSALS NO. 2013-01



OVERVIEW

The Connecticut Airport Authority (CAA) was established via Public Act 11-84 and operates under the provisions of Chapter 267b, sections 15-120aa. through and inclusive of 15-120pp. of the Connecticut General Statutes. CAA is a quasi-public entity presently in the process of assuming responsibility, from the Connecticut Department of Transportation, for managing, operating and developing Bradley International Airport and five general aviation airports owned by the State of Connecticut as well as ensuring compliance by those airports and other airports within the State of Connecticut with all federal obligations the State has incurred with respect to those airports. The CAA will serve as an economic driver in Connecticut, making the state's airports more attractive to new routes, new commerce, and new companies who may be considering making Connecticut their home.

INTRODUCTION

The Connecticut Airport Authority (CAA) is soliciting proposals from insurance brokerage firms to provide services to assess, market, place, and administer CAA's insurance requirements for a one-year period with the option to extend the contract annually, up to a maximum of three years at CAA's sole discretion. CAA will require that the assessment and binding of its insurance coverage occur within a relatively short period of time on or before airport management, operating and development responsibilities are transferred to it.

The successful proposer shall be a professional firm which independently practices as an insurance broker, and whose principal corporate engagements, source of revenues, and client base are derived solely from brokerage services rendered directly to clients.

INSTRUCTIONS TO BROKERS

- A. CAA prefers that the responding brokers keep the proposals to no more than twenty-five (25) double sided 8 ½ x 11 pages, not including resumes.
- B. Proposing broker shall submit one (1) electronic and four (4) printed copies of the proposal to:

Ms. Sharon Traficante
Director of Administration
Connecticut Airport Authority (CAA)
Bradley International Airport
Terminal A, 3rd Floor
Windsor Locks, CT 06096

Attn: Insurance Broker Services – RFP No. 2013-1

- C. The proposal must be submitted no later than **4:00 p.m., Eastern Standard Time on February 21, 2013**. Late submissions will not be accepted. There will be no pre-proposal meeting. CAA reserves the right to interview some, all, or none of the firms responding to this Request for Proposals (RFP). If interviews are warranted they will be held on February 28, 2013.

Questions concerning this RFP should be directed in writing to Ms. Sharon Traficante at the address above and received no later than 4:00 p.m., Eastern Standard Time on February 7, 2013. CAA responses to questions concerning this RFP will be shared with each responsive proposing firm to ensure equal awareness of important facts and details.

CAA accepts no financial responsibility for any costs incurred by a broker in either responding to this RFP, or in participating in oral presentations or in any meetings with CAA prior to being engaged. The proposals in response to this RFP become the property of CAA and may be used by CAA in any way it deems appropriate. By submitting a proposal, the broker certifies that it has fully read and understands the RFP, has full knowledge of the scope of services to be provided, and accepts the terms and conditions under which the services are to be performed.

CAA reserves the right to interview some, all or none of the brokers responding to this RFP based solely on its judgment as to the broker(s) proposals and capabilities. CAA reserves the right to reject any and all submittals, to request and consider additional information from submitters, and to reject any and all submittals on any basis without disclosing the reason. No broker may withdraw their submittal for at least ninety (90) days after the time and date set for submission.

CAA reserves the right to waive any irregularities and technical defects. CAA reserves the right to modify, amend or waive any provisions of this RFP, prior to the issuance of a contract for the consulting services.

SCOPE OF SERVICES

I. Background

BRADLEY INTERNATIONAL AIRPORT (BDL)

Bradley International Airport (BDL) serves an extensive geographic area, as its customer base covers the entire Northeast including New York and New Jersey. According to the most recent economic impact analysis, Bradley contributes \$4 billion in economic activity to the state of Connecticut and the surrounding region, representing \$1.2 billion in wages and 18,000 full-time jobs. The Airport, primarily an

origin and destination facility, is served by seven airlines, including two low-fare carriers, presently operating 92 average weekday departing commercial flights serving 27 non-stop destinations. For the fiscal year ending June 30, 2012, approximately 5.5 million (5,476,808) passengers utilized Bradley; the Airport also services a number of corporate and military entities.

The \$200 million, 260,000 square-foot Bradley Terminal Improvement Project began in 2000 and was completed in 2003; it more than doubled the square footage in existing Terminal A from 187,000 square feet to more than 446,000 square feet. Terminal A retained its existing name, the William A. O'Neill Terminal, which was dedicated to the Connecticut Governor while he was still in office in 1986.

The present airfield configuration consists of two intersecting runways and a general aviation runway. Runway 6/24 (9,500 feet by 200 feet) is the primary instrument air carrier and commuter runway; it is capable of handling all passenger and cargo aircraft, including the Boeing 747, the Russian-built Antonov 225, and the Airbus 380. Runway 15/33 (6,846 feet by 150 feet) is utilized as the secondary air carrier and commuter runway while Runway 1/19 is the general aviation runway.

Other facilities at BDL include the United States Military, air cargo and air freight operations, fuel storage areas, fixed based operator facilities, rental car companies, various hangars, a federal inspection station, a co-generation energy plant, de-icing fluid collection and processing plant, a maintenance facility and two aircraft rescue and firefighting stations also providing paramedic services at the Airport. Additional state-owned properties include a 3,500-space parking garage adjacent to Terminal A as well as a Sheraton Hotel which is attached to the O'Neill Terminal.

GENERAL AVIATION AIRPORTS

There are five General Aviation Airports operated by CAA.

Danielson Airport (LZD) is the smallest of the state-owned airports, located 2 miles northwest of Danielson in the town of Killingly. The Airport is a proven economic asset to Killingly, Windham County, and the State of Connecticut as it provides 25 jobs and \$2 million in economic activity. Danielson is utilized for shipping cargo, transporting personnel, and providing recreational flying. CAA will also become responsible for a self-service aircraft fueling facility available at Danielson.

Groton-New London Airport (GON) is situated in the town of Groton in the Mystic Region, a popular Connecticut tourist area on its southeastern coastline. The Airport is an economic asset to the town, New London County, and Connecticut; it is responsible for more than 900 jobs and approximately \$120 million of economic output. Although GON is mainly used by general aviation aircraft, the Airport is also home to the Army National Guard; additionally, other major Airport users include visitors to the state's 2 casinos (Foxwoods and Mohegan Sun) as well as corporate business travelers from General Dynamics/Electric Boat, among others.

Hartford-Brainard Airport (HFD) is located in Connecticut's capital city of Hartford and is the designated General Aviation Reliever Airport for Bradley International, as well as the premier general aviation facility serving the central part of the State. The Airport's total economic contribution is 368 jobs and almost \$45 million of output. HFD is a key component of the state-owned general aviation network; it contributes to the success of local businesses by meeting the demand for time-sensitive cargo transportation and passenger transportation for key public and private institutions.

Waterbury-Oxford Airport (OXC) is situated approximately 7 miles southwest of the city of Waterbury in the towns of Oxford and Middlebury. The Airport is an important economic asset to the towns, New Haven County, and Connecticut; it is responsible for almost 1700 jobs and contributes more than \$235 million in economic activity. OXC has the highest concentration of general aviation activity in the entire state of Connecticut; it is estimated that 50% of the total operations at the Airport are for business purposes.

Windham Airport (IJD) is located approximately 3 miles northeast of the city of Willimantic, in Windham County; it is the only airport in northeastern Connecticut that can accommodate modern business jet aircraft. The Airport contributes approximately \$7 million in economic activity to the state of Connecticut, representing more than 60 jobs. IJD provides access to recreational flying and is utilized by businesses that take advantage of its fast and reliable transportation availability for shipping cargo and transporting personnel.

II. Anticipated Insurance Coverage

The selected broker will conduct an initial risk assessment and recommend to CAA appropriate types and limits of coverage and deductibles as well as opportunities to self-insure. Such assessment shall consider the risks transferred by contracts being assigned to CAA at the time it assumes responsibility for the airports. All existing airline, tenant and service provider contracts are being assigned to CAA and include some form of risk transfer to such airlines, tenants and service providers which will be tabulated and provided to the selected broker. The following types of insurance coverage's are to be considered:

- a. Airport Premises Liability and Excess Liability
- b. Property
- c. Inland Marine
- d. Workers' Compensation
- e. Automobile (liability and physical damage)
- f. Fiduciary, Crime and Kidnap and Ransom
- g. Aircraft Hull and Liability
- h. Public Officials, Directors and Officers Liability
- i. Pollution Liability
- j. Cyber
- k. Business Interruption
- l. War and Terrorism

- m. Malpractice (for paramedics)
- n. Bradley Energy Center Interconnection Liability (required by C,L&P)

III. Contents of Proposal

Please address the following areas in your written submission. The information you provide should relate to the office within your firm which will have primary responsibility for the servicing of CAA's account. If you intend to have more than one office directly involved in providing the services included in your proposal, please specify the location of each office and segregate your responses by office. Please be sure to organize your response consistent with the format as described below.

Organizational Description

- Identify your principal address.
- Identify the number of offices you have.
- Identify the servicing office that will handle this account.
- Identify the total number of professionals who will service CAA.

Account Executive and Team Members:

Designate the Account Executive/Team Leader who will be responsible for your firm's activities on behalf of CAA. Include resumes of members of the team, including all backup and alternative personnel, who would be designated to work on the account, including individuals time to be dedicated to CAA.

Detail the experience that each team member has with clients of comparable size and exposure.

Provide an organizational chart of your office detailing how each team member functions within the organization.

Describe the proposed team's approach and capability to conduct an initial risk assessment, recommend and bind coverage within thirty (30) days of notice to proceed.

Experience of Firm

Briefly summarize relevant experience and involvement of your firm and the team members with other public sector accounts including airports. Please indicate the accounts with comparable exposures that are serviced by your office. Your answer should be specific as to the lines of coverage placed and services provided for such clients.

Briefly explain the size and nature of each of these organizations and the length of time each has been a client of your firm. Include the name of a contact person for at least three references who may be contacted include name, company, address, and telephone number.

Services Provided/Offered

Briefly describe the extent to which the following services are available from your firm and from whom:

- a. Loss control engineering services including risk identification services, loss forecasting services and property and liability loss control engineering.
- b. Claims management services including actuarial and statistical services, loss reserve analysis, in-house claims processing services and expert assistance on large, complex claims.
- c. Data processing/management information systems.
- d. Other Services, including but not limited to, educational seminars and assistance in property valuation.

Your proposal should indicate if there are specialized services available for any of the above that apply to the specific lines of coverage being proposed.

Profile of Insurance Markets

A profile of your insurance markets is needed to assist CAA in evaluating your strengths in the marketplace. Please provide the following information:

- a. A listing of the eight principal markets used by your office, the lines of insurance placed and the premium volume of each line of coverage.
- b. Specify those markets available to you that you feel would be the appropriate match for CAA and detail the reasons for this fit. Describe brokerage arrangements necessary to reach these markets. Please segregate your answers for each area of CAA's insurance program.
- c. Do you have access to any specialty markets that, in your opinion, would be useful to CAA? Describe these briefly. Is this access exclusive?

Fee Proposal

Please provide an annual lump sum fee to assess, market, place, and administer CAA's insurance requirements on the attached Exhibit A for Years, 1, 2 and 3, which will be paid in quarterly installments. In evaluating proposals, CAA will seek to assure that a reasonable fee be paid for a high quality of service. The selection will not be made solely on this fee. Qualitative factors bearing on the value of timeliness of services will be considered.

If the broker recommends additional services not outlined in this RFP, such services shall be separately described and separately priced.

The broker shall include the estimated dollar value of any anticipated subcontract, if applicable, including a detailed description of the services to be subcontracted, the reason for the subcontract, and the rights and duties of the parties to the proposed subcontract. The broker shall also identify the subcontractor and set forth the compensation to be paid thereunder.

Additional Qualifications

Explain what distinguishes your firm from others, and why do you believe your firm can best meet the insurance needs of CAA.

Quality Control

Explain how your firm exercises quality control on risk investigation or identification, marketing, policy issuance and policy content. Describe your firm's quality control process.

Evaluation of Insurers

What capability do you have within your firm to evaluate the solvency and quality of insurers used by your firm? To what extent and how is this information made available to your clients?

Insurance Broker's License

Please provide evidence of an Insurance Broker's license for the State of Connecticut.

Corporate Certification

The proposal must include a corporate certification that the person signing the proposal is entitled to represent the vendor; is empowered to submit the proposal, including the costs and charges proposal and make the vendor responsible for such; and, is authorized to sign a contract with the CAA.

Non-Discrimination Certification

Vendors must provide certification that it does not discriminate against any employee or subcontractor based on race, religion, color, gender, age, physical condition, national origin or any other legally protected status and that it maintains an environment free from discrimination and harassment.

IV. Insurance Requirements:

- A. The broker shall be prepared to carry and maintain in full force and effect for the duration of any contract, and any supplements thereto, the insurance specified below. The broker will be expected to submit to CAA a certificate of insurance indicating the existence of the coverage required at the time of contract negotiations for a specific project or service. Should insurance coverages not be documented by the broker at time of contract negotiations, CAA has and maintains the right to consider the broker non-responsive, and to terminate contract negotiations, if necessary.
- B. The broker shall ensure that insurance shall be provided by or on behalf of all sub-consultants to cover services performed under any contract, and included in all subcontracts. The broker shall not be issued the Notice to Proceed until

evidence of the insurance coverage required has been received, reviewed, and approved by CAA for the broker and any sub-consultant proposed for these services.

- C. The broker shall provide and maintain, at their own cost, the following minimum insurance:
1. Errors and Omissions Coverage with minimum limits of \$1,000,000 per occurrence.
 2. Motor Vehicle Liability Insurance with limits of \$1,000,000.
 3. Worker's Compensation coverage to Connecticut statutory limits or documentation evidencing an approved self-insurance program.
 4. General Liability limits of \$1,000,000 per occurrence.
 5. Umbrella Liability limits of \$5,000,000.

CAA, the State of Connecticut, and/or its designated representatives shall be named as additional insured on all policies of insurance with the exception of the Errors and Omission (Professional Liability) and Worker's Compensation insurance.

Current or Prior Engagements with the State of Connecticut or its Political Entities

The proposal should list separately and describe the vendor's (or any proposed subcontractor's) professional relationships involving the State of Connecticut or any of its political entities for the past (5) years together with a statement explaining why such relationships do not constitute a conflict of interest, real or perceived, relative to performing the requested services. For each engagement, the vendor should indicate the scope of work, date, engagement partners, total hours, the location(s) of the vendor's office(s) from which the engagement was performed, and the name and telephone number of the client's principal vendor contact.

Similar Engagements with Other Government Entities

The proposal should list separately and describe the vendor's (or any proposed subcontractor's) professional relationships involving the other states or governmental entities for the past (5) years together with a statement explaining why such relationships do not constitute a conflict of interest, real or perceived, relative to performing the requested services. For each engagement, the vendor should indicate the scope of work, date, engagement partners, total hours, the location(s) of the vendor's office(s) from which the engagement was performed, and the name and telephone number of the client's principal vendor contact.

Proposal Evaluations

A selection committee will evaluate the competing proposals and will present to CAA the results of its evaluation with a recommendation for contract award. The standard by which the selection committee will make its evaluation is the proposal which best serves the overall interests of CAA based upon the following criteria:

1. The quality and extent of the firm's experience and expertise in the area of insurance brokerage including risk assessment for operations similar to those of CAA - *Firm Experience*
2. The qualifications and timely response capability of the individuals who would be primarily responsible for providing services to CAA. - *Account Executive and Team Members*
3. The scope and quality of services being offered. – *Services Provided/Offered*
4. The firm's strength in the marketplace - *Profile of Insurance Markets*
5. Proposed fee competitiveness with respect to scope of services provided. – *Fee Proposal*
6. Other criteria shown to be relevant to the circumstances by the context of the applicants' proposals. – *Additional Information, Quality Control and Evaluation of Insurers*

Right to Reject Proposals

Submission of a proposal indicates acceptance by the responding vendor of the conditions contained in this solicitation unless clearly and specifically noted in the proposal submitted and confirmed in the subsequent contract between the CAA and the responding vendor selected.

The CAA reserves the right without prejudice to reject any or all proposals.

Reservations

THE CAA RESERVES:

The right to reject any or all proposals to serve the best interests of the CAA and its employees.

The right to negotiate with one or more respondent when such action is deemed to be in the best interest of the CAA.

The right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

The right to cancel any agreement, if in its opinion, there is a failure by the vendor at any time to perform adequately the stipulations of the Scope of Work; or if there is any attempt to deceive the CAA or its employees; or if there is an attempt to willfully impose upon the

CAA and its employees services which are, in the opinion of the CAA, of an unacceptable quality; or, if the vendor or its staff are found to have engaged in illegal or prohibited activities with respect to this agreement and the services provided or related activities.

Covenants Against Kickbacks

1. For purposes of this subsection “Money” shall mean any cash, fee, commission, credit, and gift, and gratuity, thing of value or compensation of any kind.
2. For purposes of this subsection a “contract” means a written contract with the CAA or any other political subdivision of the State of Connecticut.
3. For purposes of this subsection a “Kickback” means any money, which is provided or is offered, as herein provided, for the purpose of obtaining or maintaining a contract or for rewarding favorable treatment in connection with any contract.
4. Vendor represents, warrants, covenants and agrees that neither Vendor nor its affiliates or any subcontractors (including any of their officers or employees) has provided or attempted to provide, either directly or indirectly, any Kickback to any employee or representative of the CAA. Vendor further warrants, covenants and agrees that neither Vendor nor its affiliates nor any subcontractors (including any of their officers or employees) will, in the future, provide or attempt to provide, either directly or indirectly, any Kickback to any employee of the CAA.

Please note: Failure to abide by the provisions of this section may, without additional notice, result in the immediate termination of any contract awarded.

Other Pertinent Information

All proposals received by the CAA will be subject to public disclosure following the completion of the evaluation and selection process as provided in the General Statutes of the State of Connecticut pertaining to Freedom of Information. Vendors should clearly identify any proprietary or confidential material or information they wish to have excluded from disclosure as provided by the pertinent statutes.

In addition all submissions will be reviewed for general responsiveness to the RFP. Completeness and creativeness of responses in the overall organization and presentation of the proposal for services will be evaluated.

EXHIBIT 'A'

INSURANCE BROKERAGE SERVICES

FEE PROPOSAL

YEAR 1 ANNUAL RATE

\$ _____
(amount in numbers)

(amount in words)

YEAR 2 ANNUAL RATE

\$ _____
(amount in numbers)

(amount in words)

YEAR 3 ANNUAL RATE

\$ _____
(amount in numbers)

(amount in words)

TOTAL ALL THREE YEARS

\$ _____
(amount in numbers)

(amount in words)